

The Insolvency Act 1986

Liquidator's Progress Report
Pursuant to Section 192 of
The Insolvency Act 1986**S.192**

To the Registrar of Companies

For Official Use

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Company Number

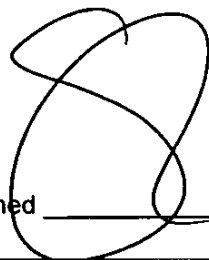
02984862

Name of Company

Lee Cooper Group Limited

I / We
Stephen Hunt
Tavistock House South
Tavistock Square
London
WC1H 9LGthe liquidator(s) of the company attach a copy of my/our progress report
under section 192 of the Insolvency Act 1986

Signed



Date

Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

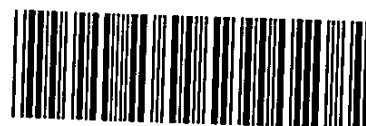
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For Official Use

Insolvency Sect

Post Room

THURSDAY



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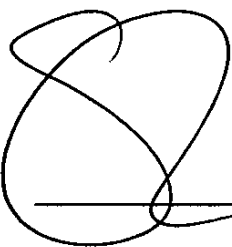
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COMPANIES HOUSE

**Lee Cooper Group Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 06/07/2010 To 05/07/2011
173,620 00	ASSET REALISATIONS	
82,279 00	Book Debts	NIL
	Overseas VAT Refund	NIL
		NIL
	COST OF REALISATIONS	
	Specific Bond	480 00
	Sundry Expenses	10 00
	Translation	334 20
	Stationery & Postage	11 95
	Statutory Advertising	139 50
		(975 65)
255,899.00		(975.65)
	REPRESENTED BY	
	VAT Receivable	20 00
	Client Account No2	(995 65)
		(975.65)
		
	Stephen Hunt	
	Liquidator	



Tavistock House South
Tavistock Square
London
WC1H 9LG

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**Liquidator's Annual
Progress Report to Members and Creditors
for the year ending 5 July 2011**

**Lee Cooper Group Limited
(in Liquidation)**

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1. Introduction

This report provides an update on the progress of the Liquidation for the year from my appointment to 5 July 2011.

Statutory Information

Lee Cooper Group Limited (Registered Number – 02984862)

Registered Office

Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

Previous Registered Office:

Hamilton House
Mabledon Place
London
WC1H 9BB

2. Receipts and Payments Accounts

The Receipts and Payments account for the period 6 July 2010 to 5 July 2011 is at Appendix A

3. Realisation of Assets

There have been no realisations in the first year of the liquidation

In the statement of affairs, the directors reported that they believed there was potential for two recoveries to be made, one from overseas VAT refunds and the other from the company's debtors. Whilst neither have resulted in a realisation in the first year of liquidation I am hopeful that further enquiries will result in a positive outcome

I have been negotiating with a company within the same tax group as Lee Cooper Group Ltd, regarding the transfer of a tax loss which will result in a realisation being made. I will report in more detail in my next report

4. Investigations

The company relied heavily on its continued trading relationship with Lee Cooper France SA, who was by far the biggest customer of the company. The demise of the French company led to the Directors of Lee Cooper Group Ltd taking the decision to cease trading in January 2010



The company's main accounting system was operated in conjunction with Lee Cooper France SA and based in France. Due to the insolvency of the French company, I have been unable to obtain a copy of the server which held the information. Despite this lack of accounting records I have been using the books and records provided by the directors to commence my investigation into the demise of the company

There are a number of areas that I am still actively investigating, however I do not intend to go into detail at this stage in order not to jeopardise any potential future recoveries

I can confirm that I have complied with my statutory duties and a report pursuant to the Company Directors Disqualification Act 1986, regarding the conduct of the Directors has been submitted. The contents of this report are confidential.

5. Creditors

The total amount of creditors claims received to date is £3,009,541 19, this is compared to potential creditor claims listed in the statement of affairs as being £23,012,035 00

A large proportion of creditors are yet to make a claim in the liquidation and a blank proof of debt form can be found at Appendix B for those who wish to submit their claim

The main reason for the difference in the two figures stated above is that £7,367,868 of the £23,012,035.00 was for the secured creditor, Investec Bank plc. During the past year I have been in discussion with Doserno Trading Limited who indicated that as joint guarantors of the debt, wished for it to be novated solely to them. I took the decision that should there be any distribution in this case then this would be of a major benefit to all other creditors and agreed to the novation of the claim.

I am aware that potentially a number of other creditors may also be withdrawing their claims from the liquidation and I will update you further in my next report.

Due to the current uncertainty of future realisation I am unable to confirm the likelihood of any distribution to creditors. I would hope to be in a better position to do so in my next report.

6. Liquidator's Remuneration and Expenses

The time recorded by myself and my staff to 5 July 2011 totals £47,044 17, which represents 198 83 hours at an average charge out rate of £236 60 per hour.

The Time Costs Analysis is at Appendix C and this provides details of the activity costs, incurred by staff grade to date, together with details of current charge out rates.



As there is currently no valid resolution concerning the liquidator's remuneration I intend to call a meeting of creditors to consider the following resolution,

That the Liquidator's remuneration be set on the basis of the time properly incurred by both he and his staff in carrying out the administration of the liquidation with authority to draw the same from realisations achieved from time to time.

The notice convening the remuneration meeting is attached together with a proxy form at Appendices D and E

Proxy Forms must be lodged at the offices of Griffins, Tavistock House South, Tavistock Square, London WC1H 9LG, no later than 12 noon on the last business day prior to the date of the meeting. The meeting is purely formal and unless you have a query that cannot be satisfied through correspondence, your attendance at the meeting is not specifically required. If there are any matters requiring clarification, please do not hesitate to contact me

I have incurred expenses of £995 65 in the period from 6 July 2010 to 5 July 2011

Creditors should be aware that they have the right to challenge the liquidator's remuneration and expenses under Rule 4 131 of the Insolvency Act 1986. A copy of this Rule is attached at Appendix H.

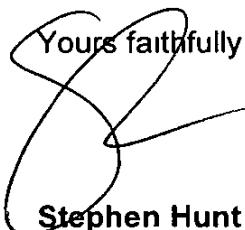
8. Additional Information

I would draw creditor's attention to Rule 4 49E of the Insolvency Act 1986 which give creditors the right to request further information from the liquidator. A copy of this Rule is attached at Appendix I

9. Next Report

I will report again following the next anniversary of the Liquidation or sooner if the administration of the liquidation is complete

Yours faithfully



Stephen Hunt
Liquidator

2 September 2011



Appendix A

**Lee Cooper Group Limited
(in Liquidation)**

Receipts and Payments Account for the period 6 July 2010 to 5 July 2011



**Lee Cooper Group Limited
(In Liquidation)
Liquidator's Abstract of Receipts & Payments**

Statement of Affairs		From 06/07/2010 To 05/07/2011	From 06/07/2010 To 05/07/2011
	ASSET REALISATIONS		
173,620 00	Book Debts	NIL	NIL
82,279 00	Overseas VAT Refund	NIL	NIL
		NIL	NIL
	COST OF REALISATIONS		
	Specific Bond	480 00	480 00
	Sundry Expenses	10 00	10 00
	Translation	334 20	334 20
	Stationery & Postage	11 95	11 95
	Statutory Advertising	139 50	139 50
		(975 65)	(975 65)
255,899.00		(975.65)	(975.65)
	REPRESENTED BY		
	VAT Receivable		20 00
	Client Account No2		(995 65)
			(975.65)



Stephen Hunt
Liquidator

Appendix B

**Lee Cooper Group Limited
(in Liquidation)**

Proof of Debt Form



PROOF OF DEBT - GENERAL FORM

Lee Cooper Group Limited		
Date of Resolution for voluntary winding up 6 July 2010		
1	Name of Creditor (If a company please also give company registration number)	
2	Address of Creditor for correspondence	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation (see note)	
4	Details of any documents by reference to which the debt can be substantiated [Note there is no need to attach them now but the liquidator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting]	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Liquidator		Liquidator

Appendix C

Lee Cooper Group Limited (in Liquidation)

Time Analysis for the period 6 July 2010 to 5 July 2011 together with details of charge out rates provided in accordance with the Statement of Insolvency Practice (SIP) 9



Time Entry - Detailed SIP9 Time & Cost Summary

LEEC001 - Lee Cooper Group Limited
From 06/07/2010 To 05/07/2011
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
STAT Statutory	0.42	0.25	0.00	3.25	3.92	979.50	250.09
TAX Tax	0.00	0.00	9.08	0.42	9.50	2,449.58	257.85
CASG Cashiering Functions	0.00	0.25	2.33	0.75	3.33	841.25	252.38
ADWN Administration Work	0.75	0.75	4.17	3.83	9.50	2,422.17	254.96
REVIEWS Case Reviews	0.08	0.42	0.00	0.00	0.50	188.25	332.50
DEBTOR Contact with the Debtor	0.00	0.00	0.42	0.00	0.92	212.50	231.82
MTGS Meetings	0.42	0.00	0.17	3.33	3.92	952.33	243.15
VAT Vat Returns	0.25	0.00	0.00	0.00	0.25	124.17	496.67
CDDA Disqualification work	0.00	0.00	0.42	0.00	0.42	110.25	264.60
DIARY Case Diary	0.00	0.00	0.08	0.00	0.08	21.67	260.00
SIP9 Preparation of Remuneration	0.00	0.00	0.83	0.00	0.83	216.67	260.00
Administration & Planning	1.92	1.67	17.50	12.08	33.17	8,498.34	256.17
CRED Creditor Related Work	0.25	0.00	4.00	8.08	12.33	2,845.58	230.72
Creditors	0.25	0.00	4.00	8.08	12.33	2,845.58	230.72
SIP2 Investigation into Affairs	0.00	0.00	6.42	0.00	6.42	1,485.83	231.56
INVAGENT Agents	0.00	0.00	0.42	0.00	0.42	95.83	230.00
SIP4 CDDA Investigation	0.00	0.08	6.00	0.00	6.08	1,405.17	230.99
INV Investigation	1.33	0.67	123.75	11.08	136.83	31,534.33	230.46
ANTE Antecedent Transactions	0.00	0.00	0.08	0.00	0.08	19.17	230.00
Investigations	1.33	0.75	136.67	11.08	149.83	34,540.33	230.53
LEGL Legal Issues	0.00	0.00	0.42	0.00	0.42	107.50	258.00
Legal & Litigation	0.00	0.00	0.42	0.00	0.42	107.50	258.00
ASST Asset Realisation	1.17	0.00	1.42	0.50	3.08	1,054.42	341.97
Realisations of Assets	1.17	0.00	1.42	0.50	3.08	1,054.42	341.97
Total Hours	4.67	2.42	160.00	31.75	198.83	47,044.17	236.60
Total Fees Claimed						0.00	

Appendix D

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**Lee Cooper Group Limited
(in Liquidation)**

Notice of Meeting



Rule 4.54, 4.108
4.113, 4.114-
CVL, 4.125,
4.126-CVL

Form 4.22

Notice to Creditors of Meeting of Creditors

Lee Cooper Group Limited

A meeting of creditors of the above-named company has been summoned by the liquidator

(a) Delete as
applicable

(b) Insert relevant
section

Under Rule 4 54 and Section 141 of the Insolvency Act 1986 for the purpose of -
to agree the basis on which the liquidator is to be remunerated

The meeting will be held as follows -

Date 5 October 2011

Time 11 00 am

Place Griffins, Tavistock House South, Tavistock Square, London WC1H 9LG

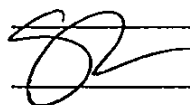
(c) Insert date and
time by which proxy
is to be lodged which
should be not more
than 4 days before
the date fixed for the
meeting

A proxy form is enclosed which must be lodged with me not later than
4 October 2011

to entitle you to vote by proxy at the meeting (a) [together with a completed proof
of debt form if you have not already lodged one]

Dated

Signed



Liquidator
Stephen Hunt
Griffins
Tavistock House South
Tavistock Square
London
WC1H 9LG

NOTE: Insert any further details which by the nature of the meeting need to be
stated

Appendix E

Lee Cooper Group Limited (in Liquidation)

Proxy form



Proxy (Winding up by the Court)

Lee Cooper Group Limited

Please give full
name and
address for
communication

Name of Creditor _____

Address of Creditor _____

Please insert name
of person (who must
be 18 or over) or the
"chairman of the
meeting" (see note
below) If you wish
to provide for
alternative proxy-
holders in the
circumstances that
your first choice is
unable to attend
please state the
name(s) of the
alternatives as well

Name of Proxy Holder

1 _____

2 _____

3 _____

Please delete words
in brackets if the
proxy-holder is only
to vote as directed
ie he has no
discretion

I appoint the above person to be my/the creditor's/proxy-holder at the meeting of creditors to be held on 5 October 2011, or at any adjournment of that meeting The proxy-holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion)

Any resolutions
which the proxy-
holder is to propose
or vote in favour of
or against should be
set out on the
reverse side of this
form

Voting Instructions for resolutions

Resolution 1. To approve the Liquidator's remuneration on the basis of the time properly incurred by both he and his staff in carrying out the administration of the liquidation with authority to draw same from realisations achieved from time to time

IN FAVOUR OF/AGAINST THE RESOLUTION (delete as applicable)

This form must be
signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Position with creditor or relationship to creditor or other authority for signature

—

Only to be completed if the creditor has not signed in person

Appendix F

Lee Cooper Group Limited (in Liquidation)

A Creditors Guide to Liquidator's Fees



A CREDITORS' GUIDE TO LIQUIDATORS' FEES

ENGLAND AND WALES

1 Introduction

- 1.1 When a company goes into liquidation the costs of the proceedings are paid out of its assets. The creditors, who hope to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as liquidator. The insolvency legislation recognises this interest by providing mechanisms for creditors to fix the basis of the liquidator's fees. This guide is intended to help creditors be aware of their rights to approve and monitor fees, explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the liquidator and challenge those they consider to be excessive.

2 Liquidation procedure

- 2.1 Liquidation (or 'winding up') is the most common type of corporate insolvency procedure. Liquidation is the formal winding up of a company's affairs entailing the realisation of its assets and the distribution of the proceeds in a prescribed order of priority. Liquidation may be either voluntary, when it is instituted by resolution of the shareholders, or compulsory, when it is instituted by order of the court.
- 2.2 Voluntary liquidation is the more common of the two. An insolvent voluntary liquidation is called a creditors' voluntary liquidation (often abbreviated to 'CVL'). In this type of liquidation an insolvency practitioner acts as liquidator throughout and the creditors can vote on the appointment of the liquidator at the first meeting of creditors.
- 2.3 In a compulsory liquidation on the other hand, the function of liquidator is, in most cases, initially performed not by an insolvency practitioner but by an official called the official receiver. The official receiver is an officer of the court and an official belonging to The Insolvency Service. In most compulsory liquidations, the official receiver becomes liquidator immediately on the making of the winding-up order. Where there are significant assets an insolvency practitioner will usually be appointed to act as liquidator in place of the official receiver, either at a meeting of creditors convened for the purpose or directly by The Insolvency Service on behalf of the Secretary of State. Where an insolvency practitioner is not appointed the official receiver remains liquidator.
- 2.4 Where a compulsory liquidation follows immediately on an administration the court may appoint the former administrator to act as liquidator. In such cases the official receiver does not become liquidator. An administrator may also subsequently act as liquidator in a CVL.

3 The liquidation committee

- 3.1 In a liquidation (whether voluntary or compulsory) the creditors have the right to appoint a committee called the liquidation committee, with a minimum of 3 and a maximum of 5 members, to monitor the conduct of the liquidation and approve the liquidator's fees. The committee is usually established at the creditors' meeting which appoints the liquidator, but in cases where a liquidation follows immediately on an administration any committee established for the purposes of the administration will continue in being as the liquidation committee.
- 3.2 The liquidator must call the first meeting of the committee within 6 weeks of its establishment (or his appointment if that is later), and subsequent meetings must be held either at specified dates agreed by the committee, or when requested by a member of the committee, or when the liquidator decides he needs to hold one. The liquidator is required to report to the committee at least every 6 months on the progress of the liquidation, unless the committee directs otherwise. This provides an opportunity for the committee to monitor and discuss the progress of the insolvency and the level of the liquidator's fees.

4 Fixing the liquidator's remuneration

4 1 The basis for fixing the liquidator's remuneration is set out in Rules 4.127 – 4.127B of the Insolvency Rules 1986. The Rules state that the remuneration shall be fixed.

- as a percentage of the value of the assets which are realised or distributed or both,
- by reference to the time properly given by the liquidator and his staff in attending to matters arising in the liquidation, or
- as a set amount

Any combination of these bases may be used to fix the remuneration, and different bases may be used for different things done by the liquidator. Where the remuneration is fixed as a percentage, different percentages may be used for different things done by the liquidator.

It is for the liquidation committee (if there is one) to determine on which of these bases, or combination of bases, the remuneration is to be fixed. Where it is fixed as a percentage, it is for the committee to determine the percentage or percentages to be applied. Rule 4.127 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case,
- any responsibility of an exceptional kind or degree which falls on the liquidator in connection with the insolvency,
- the effectiveness with which the liquidator appears to be carrying out, or to have carried out, his duties,
- the value and nature of the assets which the liquidator has to deal with

4 2 If there is no liquidation committee, or the committee does not make the requisite determination, the liquidator's remuneration may be fixed by a resolution of a meeting of creditors. The creditors take account of the same matters as apply in the case of the committee. A resolution specifying the terms on which the liquidator is to be remunerated may be taken at the meeting which appoints the liquidator.

4 3 If the remuneration is not fixed as above, it will be fixed in one of the following ways. In a CVL, it will be fixed by the court on application by the liquidator, but the liquidator may not make such an application unless he has first tried to get his remuneration fixed by the committee or creditors as described above, and in any case not later than 18 months after his appointment. In a compulsory liquidation, it will be in accordance with a scale set out in the Rules.

4 4 Where the liquidation follows directly on from an administration in which the liquidator had acted as administrator, the basis of remuneration fixed in the administration continues to apply in the liquidation (subject to paragraph 8 below).

5 Review of remuneration

Where there has been a material and substantial change in circumstances since the basis of the liquidator's remuneration was fixed, the liquidator may request that it be changed. The request must be made to the same body as initially approved the remuneration, and the same rules apply as to the original approval.

6 What information should be provided by the liquidator?

6 1 When seeking remuneration approval

6 1 1 When seeking agreement to his fees the liquidator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought,

- the stage during the administration of the case at which it is being sought, and
- the size and complexity of the case

6 1 2 Where, at any creditors' or committee meeting, the liquidator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case

6 1 3 Where the liquidator seeks agreement to his fees during the course of the liquidation, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the liquidator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the liquidator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the liquidator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4 1 above. To enable this assessment to be carried out it may be necessary for the liquidator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the liquidator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain

- Any significant aspects of the case, particularly those that affect the amount of time spent
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the liquidator wishes to make
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement
- Any existing agreement about fees
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases

6 1 4 Where the fee is charged on a percentage basis the liquidator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by a liquidator or his staff

6.2 After remuneration approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the liquidator should notify the creditors of the details of the resolution in his next report or circular to them. When subsequently reporting to creditors on the progress of the liquidation, or submitting his final report, he should specify the amount of remuneration he has drawn in accordance with the resolution (see further paragraph 7.1 below). Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 6.1.3. Where the fee is charged on a percentage basis the liquidator should provide the details set out in paragraph 6.1.4 above regarding work which has been sub-contracted out.

6.3 Disbursements and other expenses

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements, but there is provision for the creditors to challenge them, as described below. Professional guidance issued to insolvency practitioners requires that, where the liquidator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the liquidator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6.4 Realisations for secured creditors

Where the liquidator realises an asset on behalf of a secured creditor and receives remuneration out of the proceeds (see paragraph 11.1 below), he should disclose the amount of that remuneration to the committee (if there is one), to any meeting of creditors convened for the purpose of determining his fees, and in any reports he sends to creditors.

7. Progress reports and requests for further information

7.1 The liquidator is required to send annual progress reports to creditors. The reports must include

- details of the basis fixed for the remuneration of the liquidator (or if not fixed at the date of the report, the steps taken during the period of the report to fix it),
- if the basis has been fixed, the remuneration charged during the period of the report, irrespective of whether it was actually paid during that period (except where it is fixed as a set amount, in which case it may be shown as that amount without any apportionment for the period of the report),
- if the report is the first to be made after the basis has been fixed, the remuneration charged during the periods covered by the previous reports, together with a description of the work done during those periods, irrespective of whether payment was actually made during the period of the report,
- a statement of the expenses incurred by the liquidator during the period of the report, irrespective of whether payment was actually made during that period,
- a statement of the creditors' rights to request further information, as explained in paragraph 7.2, and their right to challenge the liquidator's remuneration and expenses.

7.2 Within 21 days of receipt of a progress report (or 7 business days where the report has been prepared for the purposes of a meeting to receive the liquidator's resignation) a creditor may request the liquidator to provide further information about the remuneration and expenses set out in the report. A request must be in writing, and may be made either by a secured creditor, or by an unsecured creditor with the concurrence of at least 5% in value of unsecured creditors (including himself) or the permission of the court.

7 3 The liquidator must provide the requested information within 14 days, unless he considers that

- the time and cost involved in preparing the information would be excessive, or
- disclosure would be prejudicial to the conduct of the liquidation or might be expected to lead to violence against any person, or
- the liquidator is subject to an obligation of confidentiality in relation to the information requested,

in which case he must give the reasons for not providing the information

Any creditor may apply to the court within 21 days of the liquidator's refusal to provide the requested information, or the expiry of the 14 days time limit for the provision of the information.

8. Provision of information – additional requirements

The liquidator must provide certain information about the time spent on the case, free of charge, upon request by any creditor, director or shareholder of the company.

The information which must be provided is –

- the total number of hours spent on the case by the liquidator or staff assigned to the case,
- for each grade of staff, the average hourly rate at which they are charged out,
- the number of hours spent by each grade of staff in the relevant period

The period for which the information must be provided is the period from appointment to the end of the most recent period of six months reckoned from the date of the liquidator's appointment, or where he has vacated office, the date that he vacated office

The information must be provided within 28 days of receipt of the request by the liquidator, and requests must be made within two years from vacation of office

9 What if a creditor is dissatisfied?

9 1 Except in cases where there is a liquidation committee it is the creditors as a body who have authority to approve the liquidator's fees. To enable them to carry out this function they may require the liquidator to call a creditors' meeting. In order to do this at least ten per cent in value of the creditors must concur with the request, which must be made to the liquidator in writing

9 2 If a creditor believes that the liquidator's remuneration is too high, the basis is inappropriate, or the expenses incurred by the liquidator are in all the circumstances excessive he may, provided certain conditions are met, apply to the court

9 3 Application may be made to the court by any secured creditor, or by any unsecured creditor provided at least 10 per cent in value of unsecured creditors (including himself) agree, or he has the permission of the court. Any such application must be made within 8 weeks of the applicant receiving the liquidator's progress report in which the charging of the remuneration or incurring of the expenses in question is first reported (see paragraph 7 1 above). If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the liquidator a copy of the application and supporting evidence at least 14 days before the hearing

9 4 If the court considers the application well founded, it may order that the remuneration be reduced, the basis be changed, or the expenses be disallowed or repaid. Unless the court orders otherwise, the costs of the application must be paid by the applicant and not out of the assets of the insolvent company

10 What if the liquidator is dissatisfied?

If the liquidator considers that the remuneration fixed by the liquidation committee, or in the preceding administration, is insufficient or that the basis used to fix it is inappropriate he may request that the amount or rate be increased, or the basis changed, by resolution of the creditors. If he

considers that the remuneration fixed by the liquidation committee, the creditors, in the preceding administration or in accordance with the statutory scale is insufficient, or that the basis used to fix it is inappropriate, he may apply to the court for the amount or rate to be increased or the basis changed. If he decides to apply to the court he must give at least 14 days' notice to the members of the committee and the committee may nominate one or more of its members to appear or be represented at the court hearing. If there is no committee, the liquidator's notice of his application must be sent to such of the creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid out of the assets.

11 Other matters relating to remuneration

- 11.1 Where the liquidator realises assets on behalf of a secured creditor he is entitled to be remunerated out of the proceeds of sale in accordance with a scale set out in the Rules. Usually, however, the liquidator will agree the basis of his fee for dealing with charged assets with the secured creditor concerned.
- 11.2 Where two (or more) joint liquidators are appointed it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute between them may be referred to the court, the committee or a meeting of creditors.
- 11.3 If the appointed liquidator is a solicitor and employs his own firm to act in the insolvency, profit costs may not be paid unless authorised by the committee, the creditors or the court.
- 11.4 If a new liquidator is appointed in place of another, any determination, resolution or court order which was in effect immediately before the replacement continues to have effect in relation to the remuneration of the new liquidator until a further determination, resolution or court order is made.
- 11.5 Where the basis of the remuneration is a set amount, and the liquidator ceases to act before the time has elapsed or the work has been completed for which the amount was set, application may be made for a determination of the amount that should be paid to the outgoing liquidator. The application must be made to the same body as approved the remuneration. Where the outgoing liquidator and the incoming liquidator are from the same firm, they will usually agree the apportionment between them.
- 11.6 There may also be occasions when creditors will agree to make funds available themselves to pay for the liquidator to carry out tasks which cannot be paid for out of the assets, either because they are deficient or because it is uncertain whether the work undertaken will result in any benefit to creditors. Arrangements of this kind are sometimes made to fund litigation or investigations into the affairs of the insolvent company. Any arrangements of this nature will be a matter for agreement between the liquidator and the creditors concerned and will not be subject to the statutory rules relating to remuneration.

12. Effective date

This guide applies where a company –

- goes into liquidation on a winding-up resolution passed on or after 6 April 2010,
- goes into voluntary liquidation immediately following an administration on or after 6 April 2010, except where the preceding administration began before that date,
- goes into compulsory liquidation as the result of a petition presented on or after 6 April 2010, except where the liquidation was preceded by
 - an administration which began before that date,
 - a voluntary liquidation in which the winding-up resolution was passed before that date

Appendix G

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**Lee Cooper Group Limited
(in Liquidation)**

Griffins Policy on Disbursements and Charge out Rates



GRIFFINS POLICY ON CHARGEOUT RATES AND DISBURSEMENTS

SCHEDULE OF STANDARD CHARGEOUT RATES IN RESPECT OF GRIFFINS PARTNERS AND STAFF AS AT 1 OCTOBER 2010.

In accordance with Statement of Insolvency Practice 9 "Remuneration of Insolvency Office Holders" the following hourly charge-out rates will be applied when fixing the Officeholders Remuneration:

Grade of staff	Hourly Rate
Partners	£495
Managers	£300 - £350
Senior Investigators	£300 - £350
Administrators/Investigators	£180 - £280
Junior Administrators/Junior Investigators	£140 - £190
Support Staff	£70 - £170

The above rates are reviewed annually on 1 October

It is not our policy to charge for support staff (secretarial, filing, reception) unless such staff are working on an individual matter for more than 7 hours in which case the rate for an Administrator may be applied

DISBURSEMENTS

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. Best practice guidance¹ requires that such charges should be disclosed to those who are responsible for approving his remuneration, together with an explanation of how those charges are made up and the basis on which they are arrived at

DEFINITIONS

Practice guidance¹ classifies expenses into two broad categories

- *Category 1 expenses (approval not required)* – specific expenditure that is directly related to a particular insolvency case, where the cost of the expense incurred is referable against an independent external suppliers' invoice or published tariff of charges,
- *Category 2 expenses* Griffins' policy is not to charge for Category 2 disbursements

CHARGING POLICY

- *Category 1 expenses (approval not required)* – all such items are re-charged to the case as they are incurred

¹ Statement of Insolvency Practice 9 (England and Wales)

Appendix H

Lee Cooper Group Limited (in Liquidation)

Rule 4 131 of the Insolvency Act 1986



4.130.— Recourse to the court

[(1) If the liquidator considers that the basis of remuneration fixed by the liquidation committee, or by resolution of the creditors, or as under Rule 4.127(5A) or (6), is insufficient or inappropriate, the liquidator may apply to the court for an order changing it or increasing its amount or rate.]¹¹⁴⁶

(2) The liquidator shall give at least 14 days' notice of his application to the members of the liquidation committee; and the committee may nominate one or more members to appear or be represented, and to be heard, on the application.

(3) If there is no liquidation committee, the liquidator's notice of his application shall be sent to such one or more of the company's creditors as the court may direct, which creditors may nominate one or more of their number to appear or be represented.

(4) The court may, if it appears to be a proper case, order the costs of the liquidator's application, including the costs of any member of the liquidation committee appearing [or being represented]¹¹⁴⁷ on it, or any creditor so appearing [or being represented]¹¹⁴⁷, to be paid [as an expense of the liquidation]¹¹⁴⁸.

Commencement

Pt 4(11) rule 4.130(1)-(4) December 29, 1986

4.131.— Creditors' claim that remuneration is [or other expenses are]¹¹⁴⁹ excessive

[(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that—

- (a) the remuneration charged by the liquidator,
- (b) the basis fixed for the liquidator's remuneration under Rule 4.127, or
- (c) expenses incurred by the liquidator,

is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 4.49E(5), be made no later than 8 weeks (or, in a case falling within Rule 4.108, 4 weeks) after receipt by the applicant of the progress report, or the draft report under Rule 4.49D, which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")]¹¹⁵⁰

¹¹⁴⁶ Substituted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 221(2) (April 6, 2010 substitution has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁴⁷ Words inserted by Insolvency (Amendment) Rules 1987/1919 Sch 1(1)(5) para 65 (January 11, 1988)

¹¹⁴⁸ Words substituted by Insolvency (Amendment) Rules 2008/737 rule 7(1) (April 6, 2008)

¹¹⁴⁹ Words inserted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(2) (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵⁰ Rule 4.131(1)-(1B) substituted for rule 4.131(1) by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(3) (April 6, 2010 substitution has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss the application, but it shall not do so unless the applicant has had an opportunity to attend the court for [a]¹¹⁵¹ hearing, of which he has been given at least [5 business]¹¹⁵² days' notice [but which is without notice to any other party]¹¹⁵³ .

If the application is not dismissed under this paragraph, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

(3) The applicant shall, at least 14 days before the hearing, send to the liquidator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it.

[(4) If the court considers the application to be well-founded, it must make one or more of the following orders—

- (a) an order reducing the amount of remuneration which the liquidator¹¹⁵⁴ was entitled to charge;
- (b) an order fixing the basis of remuneration at a reduced rate or amount;
- (c) an order changing the basis of remuneration,
- (d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the liquidation,
- (e) an order that the liquidator or the liquidator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report.

]¹¹⁵⁴

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable [as an expense of the liquidation]¹¹⁵⁵

Commencement

Pt 4(11) rule 4 131(1)-(5) December 29, 1986

[4.131A Review of remuneration

(1) Where, after the basis of the liquidator's remuneration has been fixed, there is a material and substantial change in the circumstances which were taken into account in fixing it, the liquidator may request that it be changed

¹¹⁵¹ Words substituted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(4)(a) (April 6, 2010 substitution has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵² Word substituted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(4)(b) (April 6, 2010 substitution has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵³ Words added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(4)(c) (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵⁴ Substituted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 222(5) (April 6, 2010 substitution has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵⁵ Words substituted by Insolvency (Amendment) Rules 2008/737 rule 7(1) (April 6, 2008)

- (2) The request must be made—
- (a) where the liquidation committee fixed the basis, to the committee,
 - (b) where the creditors fixed the basis, to the creditors;
 - (c) where the court fixed the basis, by application to the court,
 - (d) where the remuneration was determined by application of the realisation scale under Rule 4.127A, to the liquidation committee if there is one or otherwise to the creditors,
- and subject to paragraph (3), Rules 4.127 to 4.131 apply as appropriate.
- (3) Where Rule 4.129A is applied in accordance with paragraph (2) of this Rule, ignore the words "in which the administrator had not requested an increase under Rule 2.107"
- (4) Any change in the basis for remuneration applies from the date of the request under paragraph (2) and not for any earlier period.
- (5) This Rule does not apply where the liquidator is the official receiver
- ¹¹⁵⁶

[4.131B Remuneration of new liquidator

(1) If a new liquidator is appointed in place of another, any determination, resolution or court order in effect under the preceding provisions of this Section of this Chapter immediately before the former liquidator ceased to hold office continues to apply in respect of the remuneration of the new liquidator until a further determination, resolution or court order is made in accordance with those provisions.

(2) This Rule does not apply where the new liquidator is the official receiver.

¹¹⁵⁷

[4.131C Apportionment of set fee remuneration

(1) In a case in which the basis of the liquidator's remuneration is a set amount under Rule 4.127(2)(c) and the liquidator ("the former liquidator") ceases (for whatever reason) to hold office before the time has elapsed or the work has been completed in respect of which the amount was set, application may be made for determination of what portion of the amount should be paid to the former liquidator or the former liquidator's personal representative in respect of the time which has actually elapsed or the work which has actually been done

(2) Application may be made—

- (a) by the former liquidator or the former liquidator's personal representative within the period of 28 days beginning with the date upon which the former liquidator ceased to hold office, or
- (b) by the liquidator for the time being in office if the former liquidator or the former liquidator's personal representative has not applied by the end of that period

(3) Application must be made—

- (a) where the liquidation committee fixed the basis, to the committee,

¹¹⁵⁶ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 223 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵⁷ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 223 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

- (b) where the creditors fixed the basis, to the creditors for a resolution determining the portion;
 - (c) where the court fixed the basis, to the court for an order determining the portion
- (4) The applicant must give a copy of the application to the liquidator for the time being in office or to the former liquidator or the former liquidator's personal representative, as the case may be ("the recipient")
- (5) The recipient may within 21 days of receipt of the copy of the application give notice of intent to make representations to the liquidation committee or the creditors or to appear or be represented before the court, as the case may be.
- (6) No determination may be made upon the application until expiry of the 21 days referred to in paragraph (5) or, if the recipient does give notice of intent in accordance with that paragraph, until the recipient has been afforded the opportunity to make representations or to appear or be represented, as the case may be.
- (7) If the former liquidator or the former liquidator's personal representative (whether or not the original applicant) considers that the portion determined upon application to the liquidation committee or the creditors is insufficient, that person may apply—
- (a) in the case of a determination by the liquidation committee, to the creditors for a resolution increasing the portion;
 - (b) in the case of a resolution of the creditors (whether under paragraph (1) or under sub-paragraph (a)), to the court for an order increasing the portion,
- and paragraphs (4) to (6) apply as appropriate

¹¹⁵⁸

SECTION E SUPPLEMENTARY PROVISIONS

4.132.— Liquidator deceased (NO CVL APPLICATION)

(1) Subject as follows, where the liquidator (other than the official receiver) has died, it is the duty of his personal representatives to give notice of the fact to the official receiver, specifying the date of the death

This does not apply if notice has been given under any of the following paragraphs of this Rule

- (2) If the deceased liquidator was a partner in [or an employee of]¹¹⁵⁹ a firm, notice may be given to the official receiver by a partner in the firm who is qualified to act as an insolvency practitioner, or is a member of any body recognised by the Secretary of State for the authorisation of insolvency practitioners
- (3) Notice of the death may be given by any person producing to the official receiver the relevant death certificate or a copy of it

¹¹⁵⁸ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 223 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

¹¹⁵⁹ Words inserted by Insolvency (Amendment) Rules 2010/686 Sch 1 para 224(2) (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

Appendix I

**Lee Cooper Group Limited
(in Liquidation)**

Rule 4 49E of the Insolvency Act 1986



(3) The liquidator may not send a draft report to creditors under this Rule before giving notice under Rule 4 186 of intention to declare a final dividend or that no dividend or further dividend will be declared.

(4) If any creditor has applied to the court under Rule 4.131 and given a copy of the application to the liquidator, the final meeting may not be held until the application (including any appeal) has been disposed of and the liquidator has complied with any order of the court.

(5) This Rule does not apply where the liquidator is the official receiver.

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[4.49E Creditors' and members' request for further information

(1) If—

(a) within the period mentioned in paragraph (2)—

(i) a secured creditor, or

(ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or

(iii) members of the company in a members' voluntary winding up with at least 5% of the total voting rights of all the members having the right to vote at general meetings of the company, or

(b) with the permission of the court upon an application made within the period mentioned in paragraph (2)—

(i) any unsecured creditor, or

(ii) any member of the company in a members' voluntary winding up,

makes a request in writing to the liquidator for further information about remuneration or expenses set out in a progress report in accordance with Rule 4 49B(1)(e) or (f) (including by virtue of Rule 4 49C(5)) or in a draft report under Rule 4 49D, the liquidator must, within 14 days of receipt of the request, comply with paragraph (3) except to the extent that the request is in respect of matter in a draft report under Rule 4.49D or a progress report required by Rule 4 108 which (in either case) was previously included in a progress report not required by Rule 4 108

(2) The period referred to in paragraph (1)(a) and (b) is—

(a) 7 business days of receipt (by the last of them in the case of an application by more than one member) of the progress report where it is required by Rule 4.108, and

(b) 21 days of receipt (by the last of them in the case of an application by more than one member) of the report or draft report in any other case

(3) The liquidator complies with this paragraph by either—

(a) providing all of the information asked for, or

(b) so far as the liquidator considers that—

(i) the time or cost of preparation of the information would be excessive, or

(ii) disclosure of the information would be prejudicial to the conduct of the liquidation or might reasonably be expected to lead to violence against any person, or

(iii) the liquidator is subject to an obligation of confidentiality in respect of the information,

⁹⁴⁶ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 174 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

giving reasons for not providing all of the information

(4) Any creditor, and any member of the company in a members' voluntary winding up, who need not be the same as the creditors or members who asked for the information, may apply to the court within 21 days of—

(a) the giving by the liquidator of reasons for not providing all of the information asked for, or

(b) the expiry of the 14 days provided for in paragraph (1),

and the court may make such order as it thinks just

(5) Without prejudice to the generality of paragraph (4), the order of the court under that paragraph may extend the period of 8 weeks or, as the case may be, 4 weeks provided for in Rule 4 131(1B) or 4.148C(2) by such further period as the court thinks just.

(6) This Rule does not apply where the liquidator is the official receiver

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[4.49F Arrangements under s 110 (acceptance of shares, etc., as consideration for sale of company property)]

(1) Where there has been an arrangement under section 110 and a distribution to members has taken place pursuant to subsection (2) or (4) of that section, the liquidator must comply with paragraph (2) in respect of any account or report which the liquidator is required to prepare pursuant to any of the following—

- (a) section 92A (progress report to company at year's end),
- (b) section 94 (final meeting prior to dissolution — members' voluntary winding up);
- (c) section 104A (progress report to company and creditors at year's end),
- (d) section 106 (final meeting prior to dissolution — creditors' voluntary winding up),
- (e) Rule 4 49B (reports to creditors and members — winding up by the court);
- (f) Rule 4 49D (final report to creditors),
- (g) Rule 4 108 (creditors' meeting to receive liquidator's resignation),
- (h) Rule 4 126 (final meeting — creditors' voluntary liquidation),
- (j) Rule 4 142 (company meeting to receive liquidator's resignation)

(2) The liquidator must—

(a) in any account or summary of receipts and payments which is required to be included in the account or report, state the estimated value of—

- (i) the property transferred to the transferee,
- (ii) the property received from the transferee, and
- (iii) the property distributed to members pursuant to section 110(2) or (4), during the period to which the account or report relates, and

(b) as a note to the account or summary of receipts and payments, provide details of the basis of the valuation.

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⁹⁴⁷ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 174 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)

⁹⁴⁸ Added by Insolvency (Amendment) Rules 2010/686 Sch 1 para 174 (April 6, 2010 insertion has effect subject to savings and transitional provisions specified in SI 2010/686 Sch 4 and Sch 5 and SI 2010/734 rule 13)